



DEALER FAQs

# Dealer Purchases of Leased Vehicles for Inventory at Early Termination

**IMPORTANT NOTICE: Dealer Purchase for Inventory Quote and Dealer Net Purchase for Inventory Quote** amounts are **NOT** “payoff” amounts or outstanding lease balances that lessees owe. A dealer purchase for inventory is **NOT** a trade-in of the leased vehicle. After a dealer purchase for inventory, any new lease or retail contract with the lessee must **NOT** show a trade-in, and must **NOT** show any portion of a Dealer Purchase for Inventory Quote amount or a Dealer Net Purchase for Inventory Quote amount as a “payoff” amount or an outstanding prior lease balance.

1. Q. Have Ally’s policies changed?

A. **Nothing has changed.**

Any time you purchase a leased vehicle for inventory at early termination, you **CANNOT**:

- show the transaction as a trade-in on a subsequent lease or retail installment sale contract; or
- show any portion of the amount you paid to purchase the leased vehicle as a “payoff” amount or an outstanding prior lease balance on a subsequent lease or retail installment sale contract.

2. Q. Why can’t my purchase of a leased vehicle for inventory at early termination be reflected as a trade-in in connection with a subsequent transaction?

A. **If the leased vehicle was not titled in the lessee’s name, the lessee did not own it, and the lessee cannot trade-in what the lessee did not own.**

Because the lessee did not own the leased vehicle and cannot trade it in, the lessee does not have any equity, positive or negative, in the leased vehicle.

The ET Dealer Purchase for Inventory quote amount that you pay to acquire the vehicle is not a “payoff” amount or prior outstanding lease balance that the lessee owes under the lease.

3. Q. Why can’t any portion of the amount I pay to purchase a leased vehicle for inventory be financed under the subsequent retail installment sale contract or lease?

A. **The amount that you pay to purchase a leased vehicle for inventory at early termination – the Early Termination Dealer Purchase for Inventory (ET DI) quote amount – is NOT a “payoff” amount or an outstanding balance that the lessee owes under the lease.**

The ET DI Quote amount is based instead on: (i) an “AutoQuote” amount reflecting Ally’s view of the value of the vehicle; and (ii) the amount Ally will accept in satisfaction of the ET obligation of the lessee.

When you purchase the leased vehicle for the ET DI quote amount, the lessee’s ET obligation is completely satisfied, except for any unpaid summonses posted to the lessee’s account after Ally furnished the ET DI quote.



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4. Q. What should I do if the Early Termination Dealer Purchase for Inventory (ET DI) quote amount exceeds the amount I believe the leased vehicle is worth?

A. You should not purchase the vehicle for inventory, unless there is an Ally Dealer Rewards opportunity through SL Buyout Advantage that would address the quote/value issue.

If you buy the leased vehicle for inventory, you must **NOT** seek compensation from the lessee for any portion of the purchase price that you pay. You also have the option of bidding for the vehicle on SmartAuction for a price you deem is appropriate.

5. Q. What if the leased vehicle has damage, excess wear, or excess mileage at early termination? Can I include early termination charges for excess mileage or wear in the next transaction as an outstanding prior lease balance?

A. No.

The price that you pay to purchase a leased vehicle for inventory is not an amount that the lessee owes under the lease. Moreover, if you purchase a leased vehicle for the Early Termination Dealer Purchase for Inventory (ET DI) quote amount, the lessee's ET obligation to Ally is completely satisfied, except for any unpaid summonses posted to the lessee's account after Ally furnished the ET DI quote.

If you believe the vehicle is worth less than the ET DI quote amount because of damage, excess wear or excess mileage, you should not buy the vehicle for the ET DI quote amount unless you are willing to do so without seeking compensation from the lessee for any portion of the purchase price that you pay.

6. Q. What tools are available to help me evaluate the leased vehicle return options when a lessee is terminating a lease early?

A. The Calculator for "Evaluating SmartLease Early Termination Vehicle Return Options," is available at the following internet address: <http://early-terminations-dealer.ally.com>.

The Lease ET Vehicle Return Options Calculator and the accompanying Quick Reference Guide and "Steps for Evaluating Lease ET Vehicle Return Options," provide tools and information to assist you in evaluating the vehicle return options at early termination.

**WARNING:** The evaluation procedure reflected in these tools does NOT apply to vehicle returns made pursuant to a Pull-Ahead Program, or to Single Payment Leases.

Contact your Ally Underwriter or Account Executive with any questions.